A. Introduction

1. The sixth meeting of the Intergovernmental Committee of Experts of African Least Developed Countries was held in Addis Ababa, Ethiopia from 9 to 11 April 1987 in preparation for the seventh meeting of the Conference of Ministers of African LDCs which is scheduled to be held in Addis Ababa from 21 to 22 April, 1987. The objectives of the meeting were to: (a) review the economic and social conditions in African least developed countries in 1985-1986, with emphasis on the major development problems encountered and the policies pursued by the countries; (b) assess the progress achieved in the implementation of the Substantial New Programme of Action in African Least Developed Countries; (c) consider the implications of structural adjustment and stabilization programmes on long-term growth and development of African LDCs; and finally, (d) review ECA's activities from April 1986 to April 1987 and those programmed for 1988-1989 in favour of the African LDCs.

B. Attendance

2. Participating in the meeting were representatives from the following African LDCs: Burundi, Comoros, Djibouti, Ethiopia, Guinea, Lesotho, Malawi, Niger, Rwanda, Sierra Leone, Sudan, Togo, Uganda and United Republic of Tanzania.

3. Also attending the meeting as observers were: United Nations Development Programme (UNDP), International Labour Organisation (ILO), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Intellectual Property Organization (WIPO), United Nations Industrial Development Organization (UNIDO), International Trade Centre (ITC), Organization of African Unity (OAU), and European Economic Community (EEC).

C. Election of officers

4. The Committee elected the following officers:

Chairman:	Mr. John A. Tesha, United Republic of Tanzania
Vice-Chairman:	Mrs. Nima Barry, Guinea
Rapporteur:	Mr. Omar Mattar, Uganda

D. Adoption of the agenda and programme of work

5. The meeting adopted the following agenda:

1. Opening of the meeting
   - statement by the Executive Secretary of ECA.
2. Election of officers.
3. Adoption of the agenda and organization of work.
4. Review of economic and social conditions in African Least Developed Countries, 1985-1986.
5. Progress towards the implementation of the Substantial New Programme of Action in African Least Developed Countries.

6. The implications of structural adjustment and stabilization programmes for long-term growth and development in African Least Developed Countries.

7. Review of ECA activities from April 1986 to April 1987, those programmed for the remainder of 1987 and work programme for 1988-1989 in favour of the African Least Developed Countries.

8. Consideration and adoption of the report of the Intergovernmental Committee of Experts.

9. Closure of the meeting.

E. Opening session

6. On behalf of the Executive Secretary of ECA, the Deputy Executive Secretary, in opening the meeting, welcomed the delegates and expressed thanks to the people and Government of Socialist Ethiopia for hosting the meeting.

7. In the substantive text of his statement, the Deputy Executive Secretary stated that the recovery which was signalled in developing Africa as a whole in 1985 had slowed down in 1986 with GDP growth rate dropping from 3.0 per cent in 1985 (at 1980 prices) to 1.2 per cent in 1986. This is largely explained by the declining growth in agricultural output which is the main source of value added in African countries. In real terms, growth of agriculture output declined from 4.1 per cent in 1985 to 2.2 per cent in 1986 which affected agro-based manufacturing activities. Value added in the manufacturing sector increased by 4.0 per cent in 1986 as compared to 5.9 per cent in 1985.

8. The international economic environment in which such growth performance had occurred had been characterized, among other things, by the collapse in prices of major commodities exported by the LDCs; a sharp deterioration in their terms of trade, an alarming decline of net inflows of external resources to developing Africa, chronic external payments difficulties and increasingly heavier debt servicing. The situation of the LDCs had been all the more precarious as the severity of their development crisis had led to the convening of the Paris Conference in September 1981 by the United Nations Conference on Trade and Development (UNCTAD). The Conference had adopted the Substantial New Programme of Action (SNPA) for the Least Developed Countries for the 1980s.

9. In the context of the objectives of the SNPA with respect to the mobilization of external resources, the African LDCs had made commendable efforts in organizing 17 country review meeting, either under the UNDP Round table mechanism or World Bank consultative group meeting. And yet, aid flows had not matched expectations, nor had the achievements under the review meetings been anything but meagre. In this regard, he welcomed the National Technical Co-operation Assessments and Programmes (NATCAPs) introduced by UNDP. In his view, only through solidarity could Africa reverse these trends which was why African Governments had adopted Africa's Priority Programme for Economic Recovery, 1986-1990 (APPER). With the support of the international community, the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD) adopted in resolution S-13-2 of 1 June 1986 during the thirteenth Special Session of the United Nations General Assembly envisages an amount of $US 29.8 billion to finance the investment programmes of the LDCs.

10. A review of the macro-economic performance of the African LDCs during 1985-1986 showed that GDP grew in real terms by 0.7 per cent in 1985 and by 4.2 per cent in 1986. This corresponded to a decline in per capita GDP growth rates of 1.9 in 1985 and increase of 1.6 per cent in 1986. The rural sector had recorded growth rates of 2.2 per cent in 1985 and 3.4 per cent in 1986. Budget deficits had increased by 55.9 per cent in 1986 as compared to 2.3 per cent in 1985 while external public debt had grown from $US 28 billion in 1985 to $US 39 billion in 1986. Finally, he stated that with or without the structural adjustment and stabilization programmes of the International Monetary Fund and the World Bank, African LDCs were making considerable efforts to ensure adequate economic recovery.

F. Account of proceedings

Review of economic and social conditions in African least developed countries, 1985-1986 (agenda item 4)

11. A representative of the secretariat introduced document E/ECA/LDCs.7/EXP.6/2 entitled "Review of Economic and Social Conditions in African Least Developed Countries, 1985-1986". The document was structured in two parts; the first part gave an overview of the socio-economic conditions of African LDCs as a group and analyzed trends in the major macro-economic aggregates, public finance, external trade and balance of payments. It also analyzed the policies implemented by African LDCs to ease the constraints on their economic and social development. The second part dealt with the economic and social profile of each of the 27 LDCs.

12. After recalling the unfavourable economic environment in which African LDCs had to manage their economies in 1985-1986, he then reviewed the overall macro-economic performance of African LDCs. He explained that despite a low net inflow of external resources per capita estimated at $US 29.3, 29.9, 33.9 in 1983, 1984 and 1985 respectively African LDCs managed to achieve real GDP growth rates (1980 prices) of about 0.7 per cent in 1985 and 4.2 per cent in 1986 compared to an annual average of 0.12 per cent between 1981 and 1984. That recovery was largely due to the good performance of the agricultural sector as a result of the return of normal, abundant and well distributed rainfall. Agriculture value added rose to 5.5 per cent in 1986 as against 0.5 per cent in 1985 which marked the end of the drought cycle that had spanned the 1981-1984 period.

13. In addition to favourable climatic conditions, the recovery was bolstered by: increased investments in the agricultural sectors, more efficient early warning systems which helped to contain locust attacks on crops; incentives to enhance production including the provision of support services to the rural areas in terms of improved extension services; timely delivery of agricultural inputs, flexible credit facilities, higher producer prices and the establishment of guaranteed minimum prices. Although the recovery had not wiped out the considerable food grain deficits, it had boosted almost all the other sectors of the African LDC economies particularly the manufacturing sector dominated by agro-industries; whose value added increased by 2.6 per cent. The industrial sector continued to be hampered mainly by the low import capacity of the countries which did not allow them to bring in regular and adequate supplies of raw materials, spare parts and energy products.

14. As a result of near stagnation in total consumption, the demand in African LDCs had levelled of as a result of deflationary measures adopted by the African LDCs as part of their adjustment programmes. Consequently, the average savings and investment rates were equivalent to only 5.6 and 14.3 per cent of GDP, respectively. The budget deficit of African LDCs as a group had worsened. The overall balance-of-payments deficits had increased from $US 1.47 billion in 1985 to $US 2.2 billion in 1986 mainly because of a rise in their overall trade deficit following the decline in world demand and prices of the major export commodities of African LDCs. Cotton prices had fallen by 26 per cent; cocoa by 11.2 per cent; uranium by 17.4 per cent; bauxite by 2.5 per cent and iron ore by 1.9 per cent. There was also a stagnation in net capital inflows while the current account deficit rose from $US 4.9 billion in 1985 to SUS 5.7 billion in 1986. The external payments position was worsened by the heavy external debt burden which rose from $US 28 billion in 1985 to $US 39 billion in 1986.

15. In concluding he said that the efforts that African countries had collectively made to deal with the development crisis, had led to the adoption of Africa's Priority Programme for Economic Recovery, 1986-1990, which, as a result of international support, had been followed-up by the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990.

16. After the introduction of the document, a delegate made comments on the estimate of the overall GDP growth rate of African LDCs in 1986 which, at 4.2 per cent was considered much higher than the 1.2 per cent growth attained by the rest of developing African countries as a whole in view of the fact that the problems of the LDCs are more precarious. He further observed that the estimated level of final consumption for Lesotho and Cape Verde, cited as examples, seemed to be too high. He also could not see any direct relationship between the drop in concessional aid flows to LDCs and their heavy indebtedness and noted that adjustments in investment programmes had been made on the basis of available resources.

17. Another delegate, while appreciating the quality of the analysis by the secretariat, observed that the document was somehow unbalanced especially in view of the little space given to sectoral analysis as compared to macro-economic evaluation since the development of productive sectors was central to the SNPA. On the basis of the debate, the Committee recommended that, in future studies, an evaluation would be made of investment policies and programmes implemented by the LDCs especially those for industrial development as well as the development of transport and communications infrastructures so as to ascertain the viability of these policies in sustaining growth. Finally, the secretariat was informed that the countries were willing to provide the necessary information to update the document.

18. In clarifying the issues raised by the meeting, a representative of the secretariat stated that certain factors need to be taken into account when comparing the overall GDP growth rate of the LDCs with that of developing Africa as whole. He pointed out that the performance of oil-exporting African countries is a major determinant of the overall growth performance of the continent as a whole and as such the decline in oil prices in 1985-1986 had resulted into considerable drop in revenue from oil exports leading to a general slow-down in economic activities in this group of countries. He explained that most LDCs economies had rebounded strongly from a long spell of drought during 1981-1984 when they recorded very low growth rates in agriculture value added. Hence, the good performance of the agricultural

sector in 1985-1986 boosted the overall growth of the LDCs since nearly 50 per cent of GDP was derived from the sector.

19. With respect to the shortcomings of the sectoral analysis, he mentioned the lack of information on some sectors and the need to produce a concise document that dealt with the basic issues. As for coverage, he drew the attention of the Committee to the financial difficulties facing the ECA secretariat and as such only 20 of the 50 African countries were visited for the 1985-1986 survey missions. Besides the secretariat's efforts in data collection, very few replies to the questionnaires it had sent to the countries were received and very limited information was received from UNDP Resident Representatives who had also been contacted in an attempt to improve the flow and quality of the information required to prepare the study.

20. In concluding its debate, the Committee requested the secretariat to maintain the present two-part format of the document, i.e., part one on overall performance and part two on country profiles but with the provision that the overall performance will be broadened to provide indepth analysis of the policies pursued, and country profiles would be made shorter in order to maintain a balance in the structure of the study. The Committee also pledged its support to provide the necessary data and information in a timely manner so as to enrich the analysis in future surveys.

Progress towards the implementation of the Substantial New Programme of Action in African Least Developed Countries [(E/ECA/LDCs.7/EXP.6/3)(agenda item 5)]

21. In presenting the document under the above agenda item, the representative of the secretariat stated that it was a progress report which dealt with the achievements of the African LDCs in implementing the SNPA at the national level as well as measures taken by the international community to support the programme particularly in terms of Official Development Assistance (ODA) flows and the related modalities of aid disbursement to the African LDCs. He pointed out that since the adoption of the SNPA in 1981, all African LDCs had designated focal points for the implementation, follow-up and monitoring of the SNPA. Seventeen LDCs had organized country review meetings and others are preparing to hold such meetings with their development partners.

22. The representative of the secretariat said that, despite their low per capita income levels, several African LDCs had taken concrete steps to mobilize domestic resources including the creation of a flexible tax system which is more broadly based and also improvement in tax administrations. Domestic saving rate above 10 per cent of GDP had been achieved in Comoros, Malawi, Niger and Togo and in the case of Botswana, Guinea and Lesotho, exceeding 15 per cent of GDP. He drew the attention of the meeting to the commitments of African LDCs under APPER and UN-PAAERD, which are generally consistent with the priorities and recommendations of the SNPA. In this context he appealed to the countries to take steps to launch national programmes and participate effectively in regional programmes on economic development, especially those with national implications.

23. With respect to international support measures, the representative of the secretariat stated that although there was an increase in total financial flows from $US 5.3 billion in 1984 to $US 6.1 billion in 1985, these flows fell far short of the annual external financing requirements estimated at $US 8.6 billion of the African LDCs as envisaged by the SNPA. In terms of the SNPA target of 0.15 per cent of donor GDP as ODA to the LDCs, he informed

the meeting that, on the basis of available information, only few major donors (Denmark, Netherlands, Norway and Sweden) had exceeded the target while other DAC members had not attained it by 1985. With regards to aid modalities, he pointed out that some initiatives had been taken by a number of donors to give more emphasis to programme aid including sectoral assistance, general import financing and balance-of-payments support, etc. He informed the meeting about the new format adopted by the UNDP with a view to improve the Round table mechanisms. Finally, the representative of the secretariat informed the Committee about the recent meeting of the African Ministers of Trade and Development in preparation for UNCTAD VII and stated that the recommendations of the Mid-Term Global review had been reiterated in a Declaration that will be presented to the G-77 meeting in April 1987 in Havana, Cuba.

24. During the ensuing discussions, the representative of UNESCO stated that the fundamental problem facing African LDCs is their inability to mobilize domestic resources at a time when external resource flows to these countries had dropped considerably. He pointed out that due to critical financial situation of the United Nations system, overall activities of specialized agencies had been scaled down to reflect the availability of funds. However, within the context of APPER and UN-PAAERD, UNESCO is prepared to accept requests for technical assistance supported by concrete and well defined programmes from the African LDCs, particularly with respect to science and technology and literacy. In that light, he informed the meeting that 1990 will most likely be declared as the international literacy year and urged African LDCs to intensity their efforts in eradicating illeteracy in their respective countries.

25. The representative of the International Labour Organisation said that about 44 per cent of his organisation's technical assistance funds were devoted to LDCs. In 1985, ILO had adopted a resolution on the most urgent problems of Africa and a programme of action for Africa in which special attention had been focussed on the problems of LDCs and on specific short-, medium- and long term responses proposed by ILO to strengthen its technical assistance to them as part of its mandate. The objectives of the programme of action were to assist LDCs particularly during this period of crisis in defining and implementing development policies and programmes in the areas of employment, income, vocational training, manpower management and development, the promotion of small- and medium-sized enterprises, co-operatives and rural development. In that connection, multidisciplinary technical assistance identification and programming missions had been sent to the following LDCs: Burkina Faso, the Central African Republic, Chad, Ethiopia, Mali, Mauritania, Mozamibique, the Niger and the Sudan. UNDP and other multilateral agencies had been approached in order to secure the funds needed to implement the technical co-operation projects identified in the above-mentioned countries.

26. The meeting noted that inspite of structural deficincies and extremely limited means of mobilizing adequate resources in African LDCs, the international community had not fulfilled its commitments in terms of external resources flows in support of the SNPA. The meeting acknowledged the reinforcing nature of the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD) in relation to the SNPA and agreed that the measures recommended for national and international action should be expeditiously implemented in order to establish the necessary conditions for adequate recovery that would lead to self-sustained economic growth and development.

27. The meeting while taking note of the information on the New Round table format introduced by UNDP, expressed appreciation for the assistance provided by the UNDP and the World Bank in organizing their respective country review meetings. The Committee noted, however, that the mobilization of additional resources for the LDCs from traditional as well as new donors should remain the central task of country review exercises.

The implications of structural adjustment and stabilization programme on long-term growth and development in African least developed countries [(E/ECA/LDCs.7/EXP.6/4) (agenda item 6)]

28. Introducing this agenda item, a representative of the secretariat informed the meeting that the ECA had undertaken the study as a desk research project in response to the request of the sixth meeting of the Conference of Ministers of African LDCs. He stated that the objective of the study was to examine the impact of structural adjustment and stabilization programmes, particularly the policy packages, on the economies of the LDCs, notably the appropriateness of conditionality clauses and the capacity of the LDCs to strictly adhere to performance criteria of IMF and/or IBRD sponsored programmes.

29. He pointed out that, based on the findings of the study, the external payments problems of the African LDCs in the 1970s and the first half of the 1980s, had been caused mainly by the inherent structural weakness in these economies, which were compounded by natural disasters (drought) and other exogenous factors such as the oil price increases in 1973/74 and 1979/80, protectionist measures of industrialized countries, deteriorating terms of trade and mounting debt obligations. Policy measures in adjustment and stabilization programmes are aimed at redressing external payments disequilibria in the short-term without addressing these root causes of the imbalances which require measures of a longer-term nature.

30. He pointed out that the efficacy of devaluation as a policy instrument in adjustment programmes has increasingly been questioned in the context of the LDCs because as primary commodity exporters, they are price takers and hence their export earnings are likely to remain the same or even reduced considerably in foreign currency terms after devaluation. He stated that the deflationary impact of fiscal policies in these programmes had further aggravated the worsening economic conditions of the African LDCs. Finally, he mentioned that there is an urgent need for the adjustment and stabilization programmes to have a balanced set of policies other than demand management and exchange rate depreciation and that the time frame for implementation should be long enough and take into account the distributional consequences on the economies of African LDCs.

31. In the ensuing discussions, the ILO representative said that the problems of unemployment, income distribution and mass poverty had not been adequately covered in the document. They were of crucial importance partly because the number of people below the poverty line and the number of unemployed had attained staggering proportions in the African LDCs. The adjustment and stabilization programmes proposed by the International Monetary Fund and the World Bank did not put enough emphasis on human resources issues and the other social and cultural aspects of economic development. This was in contradiction with the priorities defined in Africa's Priority Programme for Economic Recovery and the United Nations Programme of Action for African

Economic Recovery and Development. There was a possible divergence between the solutions proposed for Africa's economic crisis by IMF and the World Bank on the one hand and those proposed by the United Nations and OAU on the other.

32. African countries that were having problems in redeploying or placing staff who had been laid off from the civil service and state enterprises should request ILO's assistance in identifying an appropriate range of areas where such staff could be absorbed. LDCs could also ask ILO to help them in their negotiations with IMF and the World Bank so that the consequences of the adjustment and stabilization measures on employment, income and poverty could be reflected in the policies to be implemented.

33. The representative of ITC congratulated the ECA secretariat for the lucid and very comprehensive study. He highlighted the urgent need to formulate a trade development and promotion strategy for the LDCs for the medium and the long term. Such a strategy should encompass four components: (a) the incentive environment; (b) the financial institutions; (c) the instituational infrastructure; and (d) the products and markets for traditional as well as non-traditional products. He further referred to the non-availability of up-to-date information on the trade possibilities among the LDCs. He felt that concrete proposals put forward by African LDCs for technical assistance in this field would find multilateral and/or bilateral donors.

34. A delegate also congratulated the ECA secretariat for having produced an excellent and comprehensive paper. He deplored the attitude of IMF and World Bank for tying their assistance to the adoption and implementation of the adjustment and stabilization programmes. For the vast majority of African LDCs, there is a serious political constraint on further sharp cut-backs in real level of consumption, employment or the provision of services. He pointed out the IMF adjustment programmes operate in the short-run without sufficient consideration of the consequences on long-term development. However, the imbalance which lead African LDCs to seek IMF assistance are large and persistent, and therefore, the remedies applied should be concerned with long-term structural changes. He further deplored the terms and conditions set by donors for insisting to implement IMF short-term stabilization programmes before they are rated credit worthy for long-term development finance.

35. Another delegate made general comments on the document and asked whether the secretariat had read the UNICEF study as had been requested by the previous meeting of the Intergovernmental Committee of Experts of African Least Developed Countries held in Yaounde in April 1986. The document did not clearly bring out the impact of the stabilization and structural adjustment programmes on the growth and development of African LDCs which had been agreed with the two agencies. The aim of the study was to make recommendations on the consequences observed in order to provide an appropriate negotiating framework for the countries that had not yet signed programme agreements with IMF and the World Bank.

36. A representative of the ECA secretariat pointed out that it is very difficult to be exhaustive and comprehensive in a short policy paper of this nature. This should not, however, mean that the issues of unemployment and income distribution have been totally ignored. Rather, an attempt has been

made to raise the most pertinent elements pertaining to the issues of unemployment and income distribution in more general terms. He stated that it is absolutely necessary for the LDCs to adequately prepare themselves to negotiate the policy measures recommended in structural adjustment programmes sponsored by the IMF and/or the IBRD. He said that if and when a country deems it necessary to request ECA's assistance in the negotiating process, means will be found to provide such expert assistance.

Review of ECA activities from April 1986 to April 1987, those programmed for the remainder of 1987 and the work programme for 1988-1989 in favour of the African Least Developed Countries (Agenda item 7)

37. A representative of the secretariat introduced document E/ECA/LDCs.7/EXP.6/5 and said that it reviewed the activities carried out by the ECA over the 12-month period following the last meeting of the Intergovernmental Committee of Experts of African LDCs and also defined the general framework of the secretariat's activities for the forthcoming biennium. The Review covered both the work programme of the Socio-Economic Research and Planning Division and other substantive Divisions within the framework of the ECA Inter-Divisional Committee on LDCs. The activities are related to food and agriculture, human settlements, industrial development, international trade and natural resources. He stated that the four main areas of ECA secretariat activities in favour of the African LDCs were (a) providing technical assistance and advisory services at the request of the countries; (b) carrying out in-depth studies on development issues; (c) monitoring and follow-up of the implementation of the SNPA; and (d) servicing of the annual meetings of the Conference of Ministers of African LDCs.

38. The second part of the document listed activities carried out in favour of LDCs (Comoros, Mali, Benin, Burundi, Ethiopia, Rwanda, the United Republic of Tanzania and Togo) and in aid of UNITAR and the Intergovernmental Authority on Drought and Development (IGADD). Part three dealt with the assistance provided by ECA substantive divisions to the countries concerned. The most important part of the document concerned the 1988-1989 biennium for which participants should make concrete proposals on the in-depth studies to be implemented. In that respect, the Committee should note the two studies planned: the study on the development and utilization of human resources in African LDCs (to be published in 1988) and the study on the financial structure and utilization of resources in African LDCs to be published in 1989.

39. Following the introduction of the document, the representative of UNESCO suggested that a task force should be established at the field level to ensure greater inter-agency co-ordination under the lead and efficient role of the ECA which will involve the mobilization of technical assistance in favour of the LDCs. He also appealed to the countries to submit concrete project proposals to United Nations agencies bearing in mind their competence in various areas of development.

40. The Committee requested the secretariat to explain the objectives of the studies proposed under the 1988-89 work programme. While acknowledging the usefulness of the proposed studies, some delegates felt that there were more pressing developmental issues that could be treated under the ECA's

special programme for the LDCs. In this context, a representative of the secretariat gave explanations on the two planned studies covering the mobilization and efficient utilization of human and financial resources in the LDCs. These issues were of crucial importance to the LDCs who possess limited resources and hence the need for efficient allocation of those resources in the development process. On the proposed inter-agency task force, the secrearíat informed the meeting that there is an inter-agency committee of organizations of the United Nations system which meets twice a year in Geneva to review their activities in the context of the SNPA.

41. The meeting discussed the proposals and recommended that due consideration be given to the establishment of an inter-agency committee at the regional level that will be composed of United Nations agencies represented at Addis Ababa to exchange information and co-ordinate their activities in favour of African LDCs. They also recommended that the in-depth studies proposed should be in relation to specific areas or sectors which is of primary importance to the LDCs.

Consideration and adoption of the report (agenda item 8)

42. The meeting considered and adopted the report after some amendments and agreed to submit it to the Seventh Meeting of the Conference of Ministers of African Least Developed Countries.

Closure of the meeting (agenda item 9)

43. The Chairman of the Sixth Meeting of the Intergovernmental Committee of Experts of African Least Developed Countries thanked participants for the high level of discussions and expressed the gratitude of the Committee for the excellent facilities provided by the secretariat for the smooth conduct of the meeting.

DRAFT RESOLUTION

Measures for the effective implementation of the Substantial New Programme of Action in African Least Developed Countries

The Conference of Ministers

Recalling United Nations General Assembly Resolution 40/205 of 17 December, 1985 which reaffirmed the Substantial New Programme of Action for the 1980s for the least developed countries, "as the basis for continuing cooperation between the least developed countries and their development partners, as well as the commitment to the full and effective implementation of the programme" and which also endorsed the conclusions and recommendations contained in the report of the inter-governmental group on the least developed countries on the Mid-term Global Review of the SNPA,

Further recalling its resolution 397(XV) of 12 April 1980 entrusting the Conference of Ministers of African Least Developed Countries with the responsibility for ensuring the coordination of efforts, establishing priorities, monitoring and evaluating progress under the Comprehensive New Programme of Action and the Substantial New Programme of Action (SNPA) in African Least Developed Countries,

Recalling also the decision of the Twenty-first Ordinary Session of the Assembly of Heads of State and Government of the Organization of African Unity by which the Summit adopted Africa's Priority Programme for Economic Recovery (APPER) which was subsequently endorsed by the 13th Special Session of the United Nations General Assembly in Resolution S-31 of 1 June 1986 and elaborated in the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD),

Deeply concerned about the continued and persistent downslide in economic growth and development performance of the African least developed countries largely as a result of the deepening internal economic crises compounded by such exogenous

factors as drought, collapse in world prices for primary commodities, considerable deterioration in their terms of trade, protectionist measures of industrialized countries, and mounting debt service obligations,

Noting with satisfaction the enormous efforts made by the African LDCs to improve their economic and social conditions, especially the painful austerity measures taken which were expected to lead to adequate economic recovery as a foundation for sustained economic growth and development,

Recognizing that the African least developed countries are faced with structural deficiencies which limit their capacity to respond adequately to internally and externally induced imbalances, and their inability to acquire adequate development financing which has shrunk considerably below the targets of external funding requirements of the African LDCs as envisaged by the SNPA,

Considering that the adoption of adjustment and stabilization programmes supported by the IMF and/or IBRD had become a sine qua non for mobilizing international assistance in terms of financial flows and debt relief; and noting that the implementation of the policy measures recommended in the programmes had further distabilized the LDCs economies and led to dire social and political consequences;

Taking note of the initiative of some creditor nations in implementing UNCTAD trade and development Board Resolution 165(S-IX) on debt relief especially those donors who had provided out-right cancellation of their debt to some African LDCs and others who are making progress in alleviating the debt burden of the LDCs;

Bearing in mind that the Seventh Session of the United Nations Conference on Trade and Development (UNCTAD VII) is scheduled to take place in Geneva in July 1987 and will consider the problems of the least developed countries bearing in mind the Substantial New Programme of Action for the 1980s for the LDCs; and that the Addis Ababa Declaration of African Ministers responsible for trade and development preparatory to UNCTAD VII of 18 March 1987, had inter-alia, reiterated the recommendations of the Mid-term Global Review on behalf of the LDCs as part of the proposals for negotiations at the Sixth Ministerial Meeting of the Group of 77 in Havana (Cuba), April 1987 and at UNCTAD VII in Geneva in July, 1987,

1. Strongly urges African least developed countries to continue to assume the primary responsibility for their overall development and to intensify their economic recovery efforts through the mobilization and efficient utilization of domestic resources for the implementation of the United Nations Programme of Action for African Economic Recovery and Development (1986-1990) which would enhance the effective implementation of the Substantial New Programme of Action,

2. Re-affirms the Substantial New Programme of Action as the basis for continued mutual cooperation between the LDCs and the international community and that the programme should be fully and effectively implemented. Donors should provide substantially enlarged volume of financial assistance in real terms to the LDCs on terms which correspond to their immediate and long-term development needs, and in that respect, donor countries, which have not yet done so, should endeavour to attain 0.15 per cent of their GNP as ODA to the LDCs before the end of the decade or should attain, on a priority basis, a doubling of their ODA by 1990,

3. Urges developed countries to fully implement UNCTAD Trade and Development Board Resolution 165(S-IX) expeditiously and to convert all outstanding bilateral ODA loans of all African LDCs into grants without discrimination,

4. Requests donors to provide increased and quick-disbursing balance-of-payments support as well as commodity aid, programme aid, including sector assistance and general import financing. Such balance-of-payments support in general must not be used to exercise political pressure on the African LDCs and should not be dependent on acceptance by these countries of IMF and/or IBRD structural adjustment and stabilization programmes which involve social costs that hinder their basic aims, objectives and priorities. The IMF should undertake a fundamental review of the principles on which its conditionality rests in such a way as to reflect the peculiar social, economic and spolitical priorities of the LDCs,

5. Urges the IMF and the World Bank to provide an effective mechanism in support of African LDCs currencies while they implement structural adjustment and stabilization programmes; otherwise these currencies will be subject to rapid exchange rate depreciation which in turn will aggravate already acute inflationary pressures, reduce growth and development in general,

6. Urges Organizations of the United Nations system and other relevant international institutions to intensify their efforts in establishing new mechanisms and arrangements for mobilising increased technical, financial and material resources for the LDCs,

7. Endorses the proposals contained in the Addis Ababa Declaration of the African Ministers responsible for trade and development preparatory to UNCTAD VII of 18 March, 1987 with respect to the problems of the African least developed countries and the corresponding measures recommended to be taken at the national and international levels to ensure the effective implementation of the SNPA,

8. Requests the Seventh Session of UNCTAD to explore the possibilities for fully compensating the export earning shortfalls of the LDCs. Special measures have to be taken to strengthen the commodity markets and enhance export receipts of the LDCs from such commodities. Special arrangements should also be considered for the LDCs in the IMF Compensatory Financing Facility Scheme by providing for full coverage of their export shortfalls, for the subsidization of their interest payments on outstanding drawings and for a longer repayment and grace periods than hiterto.

9. Requests the Executive Secretary of the ECA, in collaboration with UNDP, to provide resources, on pricrity basis, for studies to be carried out on the overall impact of structural adjustment and stabilisation programmes in a selected number of African least developed countries.